



First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018-4214  
Tel 847 318-7575  
Fax 847 318-7588

VIA UPS NEXT DAY AIR

January 18, 2001

RECORDATION # 23352 FILED

JAN 23 '01

11-46 AM

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001

**SURFACE TRANSPORTATION BOARD**

Attn: Recordation of Railroad Equipment



**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated November 1, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: International Rail Road Systems  
18 Park Road  
Christina Lake, BC V0H 1E0

A description of the railroad equipment covered by the enclosed document is one (1) GP-9 EMD locomotive with car number IRRS 4519.

A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and International Rail Road Systems, Lessee, covering 1 GP-9 EMD locomotive with car number IRRS 4519.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase-Morrison  
Manager of Documentation

Enclosures

(IRRS001)

RIDER #2

ASSGN. NO.: IRRS01

RECORDATION NO. 23352 FILED

JAN 23 '01

11-46 AM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1st day of November, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and International Rail Road Systems Inc. ("Lessee"), a British Columbia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of November 1, 1998, whereby Lessor has agreed to lease to Lessee certain locomotives pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of July 1, 2000 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K. A. Dombrowski  
Name: K. A. Dombrowski  
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing

Executed on this 14th day of Sept., 2000.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

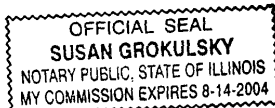
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 14th day of September, 2000.

Susan Grokulsky  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)



RIDER #2

LESSEE:

INTERNATIONAL RAIL ROAD SYSTEMS  
INC.

ATTEST:

By: DOUGLAS SANDNER  
Name: DOUGLAS SANDNER  
Title: PRES

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Executed on this 22 day of AUG, 2000.

[CORPORATE SEAL]

PROVINCE OF British Columbia  
~~DISTRICT OF~~ Canada

I, Angela Gibson, a Commissioner of Oaths of the Province and District  
aforesaid, certify that Douglas Sandner personally appeared before me this day and  
acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 22 day of August, 2000.

My Commission Expires:

non-expiring  
(Commissioner of Oaths)

Angela Gibson  
Commissioner of Oaths

ANGELA GIBSON  
Barrister & Solicitor  
P.O. Box 1030  
Grand Forks, B.C.  
V0H 1H0

**RIDER #2**

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF LOCOMOTIVES: One (1).

DESCRIPTION OF LOCOMOTIVES/SPECIFICATIONS/  
RATED HORSEPOWER: GP-9 EMD Locomotive.

LOCOMOTIVE NUMBER: IRRS 4519.